

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

FIRST-CLASS MAIL AND PERIODICALS
SERVICE STANDARD CHANGES, 2021

Docket No. N2021-1

**RESPONSES OF THE UNITED STATES POSTAL SERVICE WITNESS
STEVEN MONTEITH (USPS-T-4) TO INTERROGATORIES OF
NATIONAL POSTAL POLICY COUNCIL NPPC/USPS-T4-1 THROUGH 3
(May 26, 2021)**

The United States Postal Service hereby provides the response of witness Steven Monteith to the above-listed interrogatories. Each interrogatory is stated verbatim and followed by the response. The remaining interrogatory has been redirected to witness Curtis Whiteman.

The Postal Service believes that NPPC has exceeded the limit on interrogatories set forth in Rule 3020.117(a), pursuant to federal case law adopted by the Commission. Order No. 2080, Order Adopting Amended Rules of Procedure for Nature of Service Proceedings under 39 U.S.C. § 3661 (May 20, 2014), at 44. Nevertheless, the Postal Service has chosen to respond to these interrogatories in lieu of filing a motion to be excused from doing so on numerosity grounds. The Postal Service's choice to accommodate NPPC in this specific instance should not be construed as a waiver of the Postal Service's right to seek excusal from any further interrogatories by NPPC on numerosity or other grounds, or from any arguably excessive interrogatories by any other party in any other instance.

Respectfully submitted,
UNITED STATES POSTAL SERVICE

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May 26, 2021

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NPPC/USPS-T4-1. Please refer to page 15, lines 6 through 11, of your testimony, in which you suggest that Presort mailers might adjust to the proposed new service standards by “enhancements in mail preparation and options to enter mail further into the postal network.” Please describe what “options to enter mail further into the postal network” you contemplate, including in particular whether the Postal Service will offer Presort mailers the option of discounts for destination entry when the new service standards are implemented.

RESPONSE:

Mailers have a variety of options to enter mail further into the postal network. Our larger-volume mailers can drop ship as close as possible to the mail’s destination by switching printer locations. Sometimes larger-volume mailers chose to transport their mail closer to its destination. Our smaller-volume mailers often work with mail service providers. These providers often consolidate multiple mailers’ volumes into 5-Digit trays in order to receive the First-Class Letters 5-Digit Automation discount. They also consolidate volumes to less refined levels of presort than 5-Digit Automation for other workshare discounts.

Currently, we have no plans to offer a drop ship discount.

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NPPC/USPS-T4-2. Please refer to page 23, lines 21 through 23, of your testimony, Describe all outreach efforts that the Postal Service has made or will make to mailers of remittance mail regarding the proposed reduction in service standards at issue in this proceeding.

RESPONSE:

The Postal Service's past and ongoing outreach efforts to remittance mailers regarding the service standard proposal has been provided in witness Monteith's response to POIR No. 1, Question 31, (filed on May 17, 2021).

To expand upon that response, the Postal Service recently established Remittance Mail Mailers Technical Advisory Committee ("MTAC") User Group. The purpose of this user group is to serve as an ongoing forum for the Postal Service and remittance mailers. For example, the Remittance Mailer MTAC User Group will facilitate communications between the Postal Service and remittance mailers and will address and work to resolve issues pertaining to remittance mail. The participants include remittance mailers, related industry suppliers, and Postal Service managers. The Remittance Mailer MTAC User Group will remain in effect for as long as remittance mailers continue to benefit from it.

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NPPC/USPS-T4-3. What steps does the Postal Service contemplate to slow or reverse the decline in First-Class Mail volume projected in the Strategic Plan? In your answer, please provide any estimates of volume retention or growth the Postal Service has identified and any related benchmarks or measures of success that the Postal Service has identified.

RESPONSE:

INTRODUCTION:

Our 10 Year Plan, 'Delivering for America,' builds upon our existing commitment to grow and retain First-Class Mail revenue by strengthening the value of mail. The real value of mail is the connection it creates. The Postal Service has been reinforcing this connection through its strategic initiatives and partnerships. Our strategic initiatives include mail promotions and incentives, integration of digital technologies, and increase awareness of the value of mail. The Postal Service has also formed partnerships with industry associations to help drive the value of mail for businesses and individuals.

STRATEGIC INITIATIVES:

Promotions and Incentives:

The Postal Service's Promotions program seeks to retain and grow mail volume, encourage mailers to integrate new technology into their mail pieces, and promote the value of mail. The two promotions specific to First-Class Mail helps the Postal Service achieve these goals:

- Personalized Color Transpromo Promotion is designed to incent the use of color and additional content in bills and statements to transform those transactional documents from a cost center into a profit center by fostering a better connection and response from customers.

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- Earned Value Promotion encourages remittance mailers to continue to provide return envelopes for remittances and orders.

There are other promotions available to First-Class Mail mailers; those promotions include Emerging Advanced Technology and Informed Delivery. The Emerging Advanced Technology promotion encourages mailers to incorporate emerging or new technologies into mail pieces, which will help mailers engage customers in new and exciting ways. The Informed Delivery promotion incentivizes mailers to connect their Direct Mail campaigns with their digital marketing campaigns to reach and engage customers.

We have measured the effectiveness of our promotions and incentives through year over year participation growth by volume and number of participants and by participants survey responses.

Combined First-Class Mail Promotions

	2019	2020	Change
Volume	1.378M	1,329M	-4%
Revenue	\$536M	\$516M	-4%
Participants	192	219	14%

Digital Integration

Our dedicated workforce continues to develop new tools that leverage mail data and enable better integration with digital media channels. Informed Delivery is the culmination of these efforts. The Postal Service developed Informed Delivery to provide a free notification service that gives consumers the ability to digitally preview their letter-sized mail pieces and manage their packages scheduled to arrive soon. It also allows organizations to connect their

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Direct Mail campaigns to digital marketing strategies, which allows organizations to gain access to multi-touch points to relevant audiences. Informed Delivery also provides organizations with aggregate pre- and post-marketing campaign data, which offer insights into campaign reach and results. The campaign data includes the number of users and the percentage of users who elect to receive Informed Delivery emails and the number and percentage of click-throughs—when a user interacts with digital content.

Increase Awareness

The Postal Service is promoting these new tools and the value of mail by providing learning modules and content on usps.com. The learning modules and content communicates to marketers, businesses, and individuals the value and effectiveness of mail and highlights how mail fits in an omni-channel campaign, the integration of physical and digital, best practices, and facts on the power of mail. This content includes *USPS Mail Journey*, which is an interactive website that aims to help employees, customers, and others understand how mail bridges digital and physical communications. The site consists of several lessons that provides a fresh focus on the role of mail in the competitive media landscape. *USPS Mail Journey* has been an invaluable source of information that engages and sparks interest in mail.

The Postal Service also has a suite of tools, resources, compelling case studies, and tutorials located online at *USPSDelivers.com*, which provides marketers, businesses, and individuals with information regarding the value and effectiveness of mail. The Direct Mail Basics segment includes several articles and white papers to inspire greater use of First-Class Mail. For example, one article entitled “4 Ways to Grow Your Business with Metered Mail” provides small businesses with helpful information relating to how sending metered mail can

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help small businesses save and grow.¹ It explains how a postage meter can make sending mail quicker and less expensively, and how businesses can boost their brands by using their meters to add customized messages to envelopes.

Partnerships with Industry Associations:

To mitigate the decline of First-Class Mail, the Postal Service continues to grow and develop partnerships with industry associations. Through these partnerships, the Postal Service works to promote the value of First-Class Mail. For example, Postal Service leadership regularly presents to industry associations, such as National Postal Policy Council, all the ways that the Postal Service is stemming the decline of First-Class Mail revenue. See Attachment 1, Steve Monteith, “National Postal Policy Council” presentation (Dec. 8, 2020).

Another example is when the Postal Service partnered with the Greeting Card Association to survey consumers on how they stay connected during the COVID-19 pandemic.² The COVID Mail Attitudes survey found that the majority, or 65 percent of respondents, said that receiving “cards and letters from family and friends lifts my spirits during this time” while 62 percent said that “receiving a card or letter in the mail makes me feel more connected during social distancing.” Another 60 percent said it means more to me to receive a card or letter in the mail than an email, while 55 percent said they feel less isolated when receiving a card or letter in the mail.

At all levels of the organization, the Postal Service partners with industry to promote the value of mail. Our dedicated Sales Force alongside our Business Development Teams, Small Business Partners, Postmasters, District Managers

¹ The article can be found at: <https://www.uspsdelivers.com/4-ways-to-grow-your-business-with-metered-mail/>

² Additional information about the survey can be found here: <https://postalpro.usps.com/market-research/covid-mail-attitudes>. I referenced this survey in my testimony on pages 5, 11.

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of Marketing, Business Mail Acceptance, and Customer Service, partner with 144 Postal Customer Councils, representing various segments of the industry, across the country to share the latest innovation and trends in the mailing industry to promote the value of mail. As a result of this strong partnership, the Postal Customer Council program has become an invaluable resource for business mailers, large and small. Local Postal Customer Councils serve as an open channel for USPS-to-business communication, providing information and best practices for achieving cost-effective and profitable mailing, education, and training, as well as solving local challenges.

Conclusion

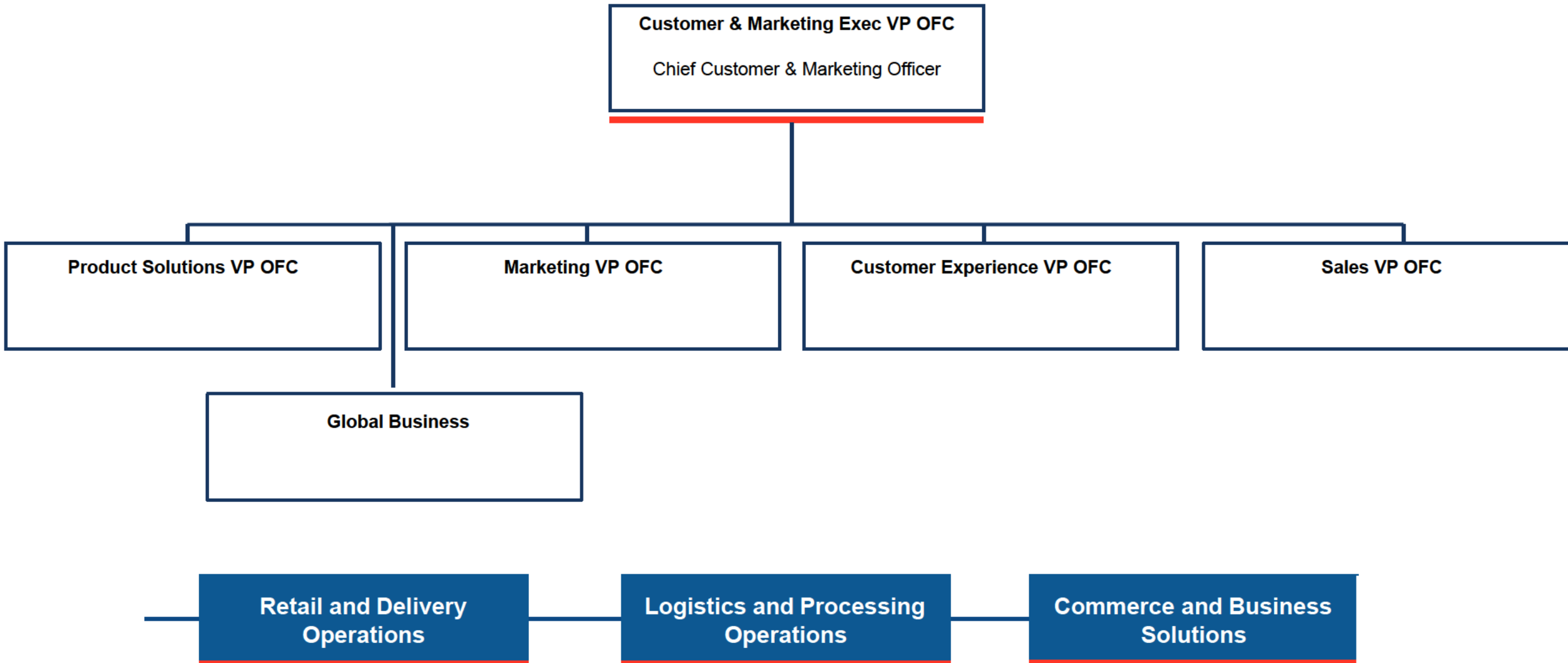
In sum, the Postal Service remains committed to retaining and growing First-Class mail volume. This commitment is embodied at every level of the organization through our investment in our strategic initiatives and operations to provide reliable mail delivery service to drive value for the sender and receiver of mail.

National Postal Policy Council

Organizational Changes

The USPS's new organizational structures will drive operational efficiency and growth.





Market Research

The Real Value of Mail Is The Connection it Creates.

65% Consumers Agree Mail Lifts
Their Spirits

64% Feel More Isolated Due to
Coronavirus

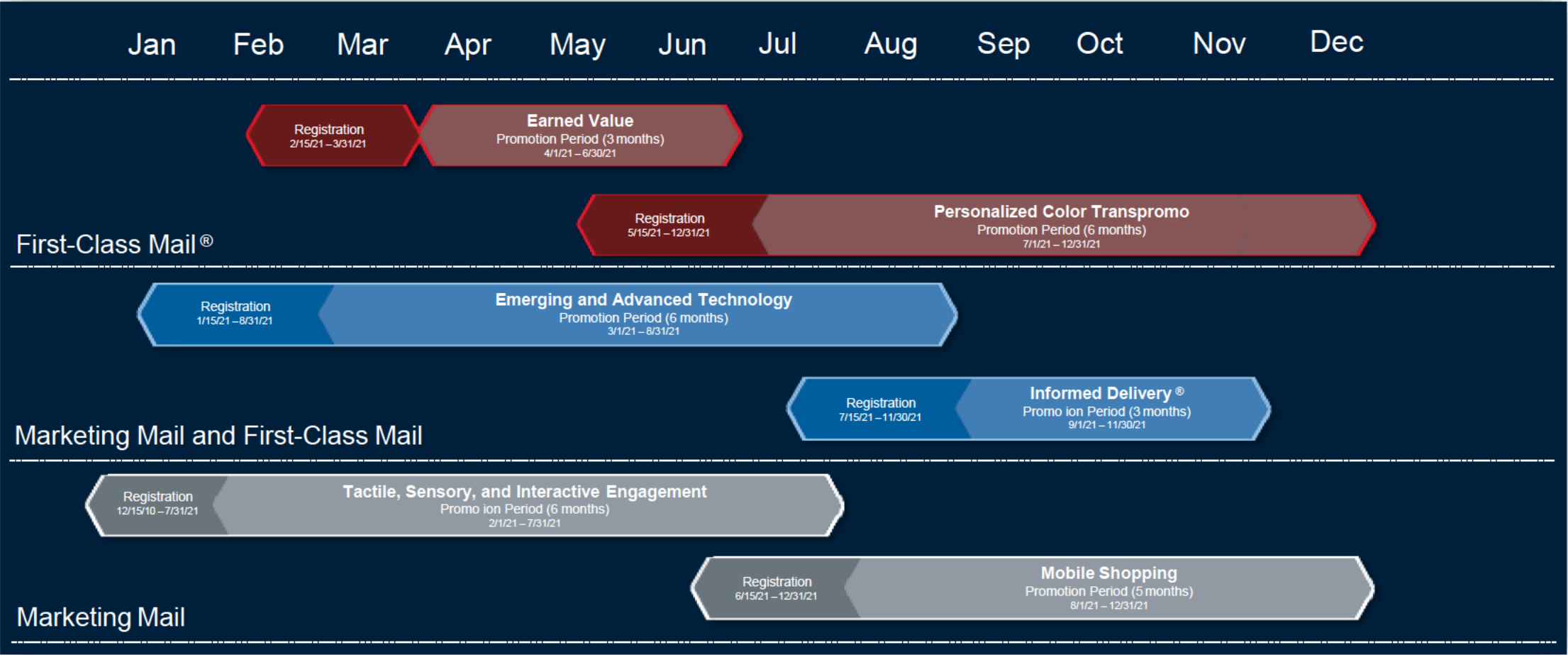
52% Feel More Connected to
People Through the Mail

#1 USPS is Most Trusted Brand
in the Country

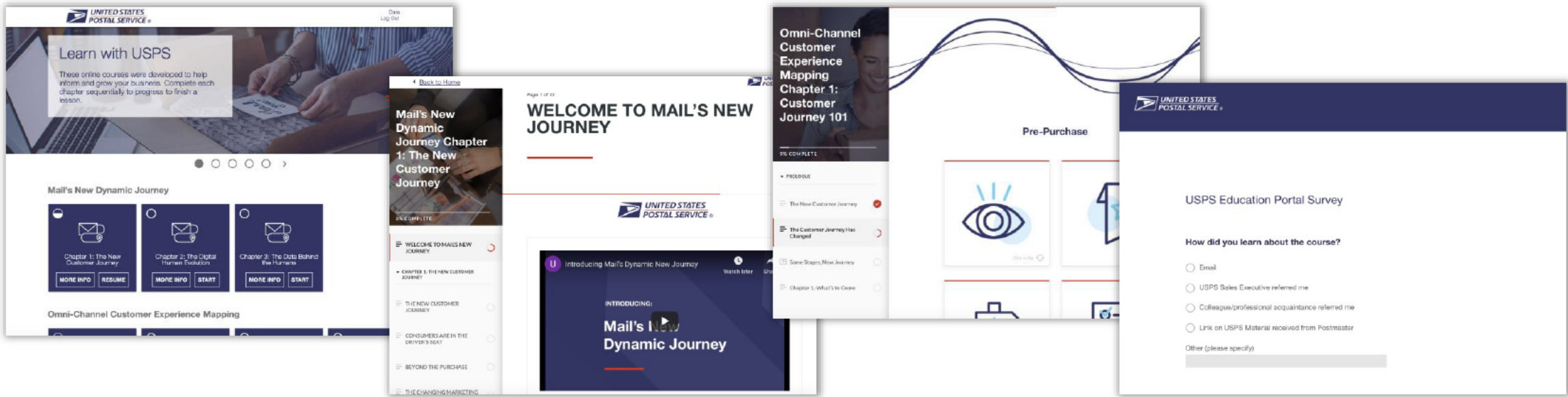


USPS Initiatives

Increase recipient engagement with the mail piece.
Increase the response rate and ROI for the mailer.








USPS Delivers™

ShippingMarketingAbout



Marketing - Article | 5-min. read

UNLOCK THE MARKETING POWER OF FIRST-CLASS MAIL® SERVICE

Many companies send First-Class Mail to their customers in the form of bills, invoices, receipts, statements, renewal forms or purchase confirmations. This is known as transactional mail.

With USPS®, up to 3.5 ounces of material can be included in the envelope for these types of mailpieces.¹ On average, though, businesses are utilizing only 1 ounce while still paying the price for 3.5 ounces.² This is like leaving money on the table—but with a little creativity, transactional mail can be turned into a powerful marketing tool.

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Marketing - Article | 4-min. read

THE POWERFUL MARKETING POTENTIAL OF TRANSACTIONAL MAIL

For businesses today, it's high priority to understand how a customer wants to receive transactional communications. While a variety of digital alternatives have emerged, none of them cater to the basic preference of most customers: they want to receive these documents in the mail.

Transactional pieces like bills, invoices and statements are still the most read and opened pieces of mail: 96% of people open and read bills while 92% open and read statements.³ Physical documents have value for both the recipient and the sender.

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Marketing - Article | 3-min. read

4 WAYS TO GROW YOUR BUSINESS WITH METERED MAIL

Mail is a cornerstone for many successful businesses. Sending monthly statements and occasional postcard campaigns helps companies grow and thrive.

As the volume of mail grows, many businesses find it hard to get to a Post Office™ location to calculate the exact postage for each piece. Instead, they estimate postage to save time, which ends up costing them.

One solution to save time and money? A postage meter. This tool makes sending mail quicker, less expensive and more customized. Here, we'll highlight four benefits of having your own postage meter.

For a more in-depth analysis of metered mail's benefits, see our article, "Metered Mail 101: The Benefits of Digital Meters."

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DELIVERY® INTERACTIVE CAMPAIGN TODAY

Put your mail in your customers' email with Informed Delivery® from USPS®. Daily emails offer your customers a peek into their mailbox from anywhere and, for you, one mailing delivers two impressions to help achieve your business KPIs.

Here's a step-by-step guide to Informed Delivery® for business mailers.

Let's go

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Benefits

Implement an Informed Delivery® interactive campaign. Consumers love it—up to 93% would recommend the service to friends, family, and colleagues.¹

32.7M

Registered Users

27.1M

Email-enabled Users

61.03%

Average Email Open Rate

201K+

Weekly User Registrations

75,920

Completed Campaigns

5,290

Active Campaigns



Holiday 2020

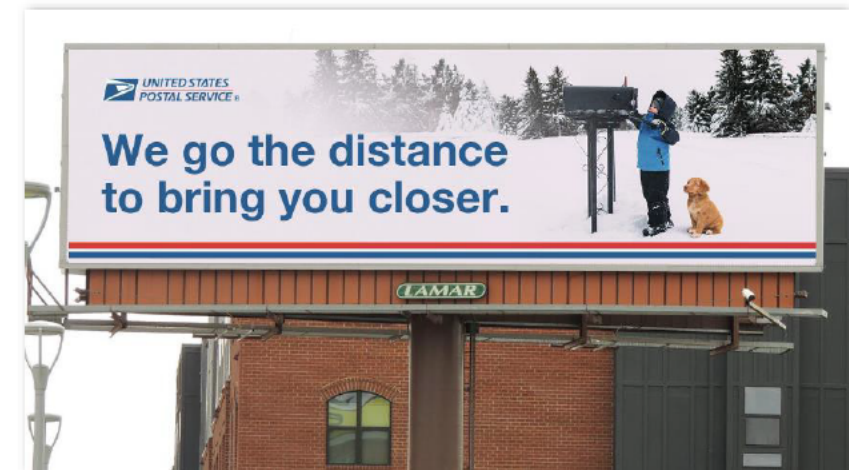
Multi-Channel Campaign Approach – Physical

11/15 – 12/28

Retail Signage



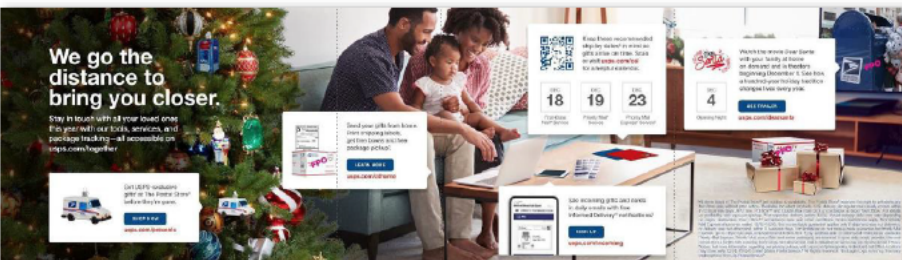
Out of Home



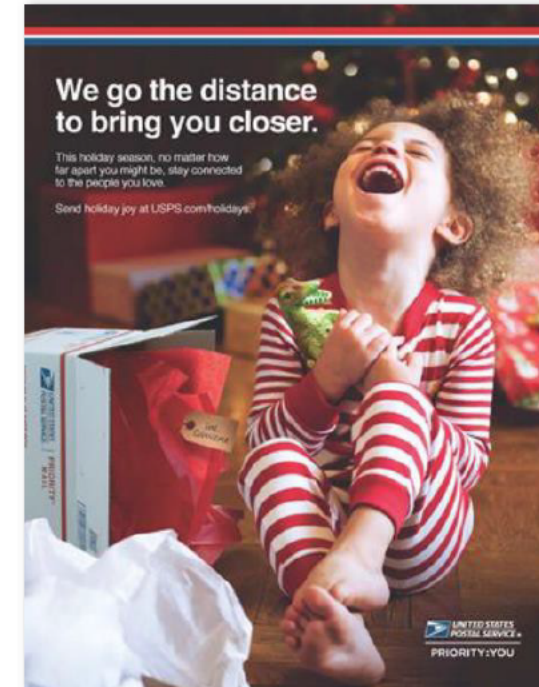
Multi-Channel Campaign Approach – Print

11/15 – 12/28

Direct Mail



Print Ad



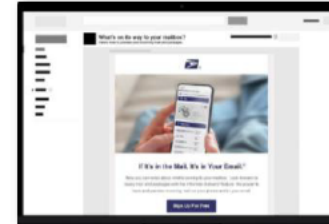
Multi-Channel Campaign Approach – Digital

11/15 – 12/28

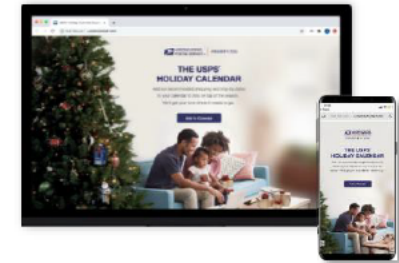
Standard Banners



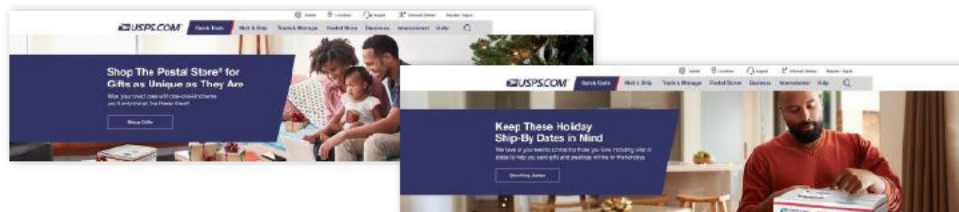
Email



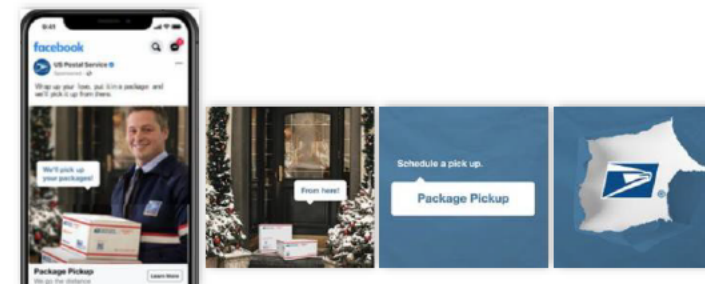
QR Code Landing Page



USPS.com Promo Banners



Social



Multi-Channel Campaign Approach

11/15 – 12/28



Multi-Channel Campaign Approach – Blog | Holiday Newsroom | Peek into Peak | Infographics

2020 Holiday Newsroom

- Oct 06 – Press Release: Military Shipping Deadlines
- Oct 08 – Press Release: Domestic/Int'l Deadlines
- Oct 13 – Blog: Mailing Tips
- Oct 19 – Blog: Shipping Deadlines
- Oct 26 – Blog: Keeping Packages Safe
- Nov 02– Blog: How to Mail a Package
- Nov 04– Press Release: Shipping Restrictions
- Nov 09– Press Release: Holiday Volume
- Nov 09– Blog: USPS Operation Santa
- Nov 16– Press Release: USPS Operation Santa
- Nov 23– Press Release: Cyber Monday
- Nov 23– Blog: Small Business Saturday
- Dec 04– Press Release: Operation Santa Launches
- Dec 14– Press Release: Busiest Week

usps.com/holidaynews

HOLIDAY NEWSROOM

5 Ways to Protect Mail and Packages

- Don't leave packages unattended for any length of time.
- Won't be home? Use Hold for Pickup option at usps.com
- Leaving town? Use the USPS Hold Mail® service by using usps.com Tracking® Number.
- Services like Signature Registered Mail®.

HOLIDAY FACTS and TIPS TO AVOID A SHIPPING GLITCH

- BUSIEST MAILING, SHIPPING AND DELIVERY WEEK**
- BETWEEN 11.5 AND 12.5 BILLION TOTAL PIECES OF MAIL ARE EXPECTED TO BE PROCESSED AND DELIVERED THIS HOLIDAY SEASON — THE MOST SINCE 2015.** (2019: 13B | 2018: 16B | 2017: 15B | 2016: 16B | 2015: 15.5B)
- THE POSTAL SERVICE IS PROJECTING BETWEEN 900 MILLION TO 1 BILLION PIECES OF MAIL TO BE DELIVERED THIS HOLIDAY SEASON (2019: 812M | 2018: 955M)**
- APPROXIMATELY 225 MILLION PACKAGES ARE EXPECTED TO BE DELIVERED AND ABOUT THE SAME THE WEEK PRIOR — ROUGHLY 32 MILLION.**
- MORE THAN 11 MILLION PACKAGES ARE EXPECTED TO BE DELIVERED THIS HOLIDAY SEASON, BEGINNING NOV. 29 (2019: 8M | 2018: 8M)**
- APPROXIMATELY 2.9 BILLION PIECES OF MAIL, INCLUDING CARDS, ARE EXPECTED TO BE PROCESSED AND DELIVERED DURING THE WEEK OF NOV. 29-30.**
- DEC. 14 IS EXPECTED TO BE THE BUSIEST DAY FOR USPS.COM WITH MORE THAN 13 MILLION USERS PREDICTED TO VISIT ON THAT DAY ALONE | MORE THAN 7 MILLION USERS ON REGULAR DAYS**

TIPS TO AVOID A SHIPPING GLITCH

- Properly address packages. Include both "to" and "from" information and only on one side.
- Place a card inside with delivery and return addresses.
- Never guess a ZIP Code™. Look up a ZIP Code™ at usps.com/zip or call 800.4USPS. No ZIP is better than a WRONG ZIP.
- Select a durable box to protect contents.
- Priority Mail® and Priority Mail Express® boxes are free at Post Office locations.
- Make sure it weighs 70 pounds or less. Use an accurate scale to weigh your package.

#PostalProud

PEEKintoPEAK™
A daily look across the district.

What makes you Postal Proud about Peak?

We are Postal Proud on Red Friday at the Southern Maine P&DC. Remembering All of Those Deployed.

Submitted by Joe Dienes, Mail Handler Group Leader, Southern Maine P&DC, Scarborough, ME 04074

Volunteers pictured left to right: Randall Groves USMC, Ret., Emilio Arreola USMC, Ret., Rick Greiner USAF, Ret., Ron News US Army, Ret., Mark Muehly USMC, Ret., Joe Dienes USAF

Picture yourself here. Email: PostalProud@usps.gov

[USPS.COM/HOLIDAYNEWS](https://usps.com/holidaynews)

Questions +Answers